



Ninth Circuit Reverses District Court Ruling in \$4.1 Million ERISA Health Benefits Case

Kantor & Kantor, LLP secured a significant appellate victory for union dockworkers after the U.S. Court of Appeals for the Ninth Circuit reversed a district court decision that had upheld the denial of millions of dollars in health insurance benefits.

In a January 21, 2026 decision, a divided Ninth Circuit panel ruled that the district court erred in concluding that an accredited medical center did not qualify as a “hospital” under the terms of a multiemployer health plan governed by the Employee Retirement Income Security Act (ERISA). The appellate court sent the case back to the lower court for further proceedings, reviving approximately \$4.1 million in disputed benefit claims.

The plaintiffs - union dockworkers and their dependents - received outpatient surgical treatment at the Advanced Pain Treatment Medical Center. They alleged that the ILWU-PMA Welfare Plan wrongfully denied coverage for facility fees associated with that care, leaving workers personally responsible for substantial medical expenses.

Glenn R. Kantor, Founding Partner at Kantor & Kantor, LLP, represented the workers in the litigation.

“ERISA does not allow plan administrators to deny claims based on arbitrary or unsupported interpretations of plan language,” Kantor said. “This ruling confirms that



NINTH CIRCUIT REVERSES RULING IN \$4.1M UNION HEALTH PLAN CASE

Appeals court revives dockworkers' claims after improper denial of medical benefits.



even under a deferential standard of review, benefit decisions must be grounded in reason, evidence, and the actual terms of the plan.”

In its opinion, the Ninth Circuit rejected the district court’s reliance on internal accreditor classifications and emphasized that California regulates outpatient surgical facilities through accreditation rather than licensure. The court found that the medical center’s accreditation satisfied the plan’s requirements and that it was an error to deny benefits based on distinctions unsupported by California law or the plan’s language.

The case, *Delgado et al. v. ILWU-PMA Welfare Plan*, No. 24-1845, now returns to the district court for further proceedings consistent with the Ninth Circuit’s ruling.